



ABG Infralogistics Limited

Annual Report 2011

Corporate Information

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Board of Directors

Kamlesh Kumar Agarwal
Saket Agarwal
Rishi Agarwal (upto 26th July 2011)
Haleangadi Panduranga Prabhu
Govindrajpuram Ramasubramanian Gayatrivallabhan
Ravishankar Gopalan

Company Secretary

Jagruti Vadhvana

Registered Office

5th Floor, Bhupati Chambers,
13 Mathew Road, Mumbai - 400 004

Auditors

M. M. Chaturvedi & Co.
24 Atlanta, Nariman Point, Mumbai 400 021

Bankers

Axis Bank Limited
Bank of India
The Jammu & Kashmir Bank Limited
UCO Bank
ICICI Bank Limited
HDFC Bank Limited
YES Bank Limited

Legal Advisors

Desai & Diwanji

Registrar and Share Transfer Agent

Bigshare Services Private Limited
E/2, Ansa Industrial Estate, Sakivihar Road,
Sakinaka, Andheri (East), Mumbai 400 072

Annual General Meeting

Date : Friday, September 30, 2011
Time : 4.30 p.m.
Venue : Sangam Hall, Agarwal Bhawan,
100/C Marine Drive,
Next to Indian Oil Petrol Pump,
Mumbai 400 002



STANDALONE FINANCIAL RESULTS FOR LAST 5 YEARS

(₹ In Crores)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Gross Receipts	149.60	155.90	151.27	107.93	69.21
Gross Profit before Interest and Depreciation	91.05	102.20	108.66	73.18	40.01
Less: Interest	(35.60)	(39.69)	(36.50)	(18.47)	(8.50)
Less: Depreciation	(45.20)	(46.57)	(61.87)	(37.73)	(23.37)
Add: Any Extraordinary (Loss)/ Income	-	-	-	72.89	-
Profit Before Tax	10.25	15.94	10.29	89.87	8.14
Less: Provision for Taxation	-	(1.55)	(1.34)	(18.76)	(0.93)
Add/(Less): Reversal /(Provision) of Deferred Tax	(1.90)	(3.95)	(1.60)	2.71	(2.01)
Add: Provision for Fringe Benefit Tax	-	-	(0.20)	(0.27)	(0.12)
Add/(less):Reversal/(Provision) for Tax for earlier year	(0.08)	(0.01)	-	-	-
Profit After Tax	8.43	10.43	7.15	73.55	5.08
Add: Profit brought forward from earlier year	48.92	45.57	45.17	36.62	40.02
Net Profit available for appropriation	57.35	56.00	52.32	110.17	45.10
Interim Dividend on Equity Share (including Corporate Dividend Tax)	6.44	5.98	6.00	11.25	-
Proposed Dividend (including Corporate Dividend Tax)	-	-	-	3.75	3.48
Transfer to General Reserve	1.00	1.10	0.75	50.00	5.00
Balance Carried to Balance Sheet	49.91	48.92	45.57	45.17	36.62
Gross Block	661.29	673.92	771.16	524.03	360.91
Net Worth	232.41	251.29	246.84	243.41	184.85
Debt: Equity	1.35:1	1.39:1	1.99:1	1.35:1	1.14:1
Cash Profit	53.63	57.00	69.30	112.88	41.35



NOTICE

Notice is hereby given that Twenty Seventh Annual General Meeting of **ABG Infralogistics Limited** will be held on Friday, the 30th day of September 2011 at Sangam Hall, Agarwal Bhawan, 100/C Marine Drive, Next to Indian Oil Petrol Pump, Mumbai 400 002 at 4.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To take note of interim dividend paid on Equity Shares for the year ended 31st March 2011.
3. To appoint a Director in place of Mr. Haleangadi Panduranga Prabhu, who retires by rotation and is eligible for reappointment.
4. To appoint Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By order of Board of Directors

Jagruti Vadhvana
Company Secretary

28th July, 2011

Regd. Office:

5th Floor, Bhupati Chambers
13 Mathew Road, Mumbai – 400 004

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.

2. In terms of Article 128 of the Article of Association of the Company read with Section 256 of the Companies Act, 1956, Mr. Haleangadi Panduranga Prabhu, retire by rotation at the ensuing Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company recommends his re-appointment. The information as required under clause 49(IV)(G) of the Listing Agreement regarding a Director who is proposed to be re-appointed is as follows:

(a) Mr. Haleangadi Panduranga Prabhu, aged 69 years, is the Non-Executive and Independent Director of the Company and was appointed as a Director of the Company on 5th March, 2002. He is a seasoned banker and was with Bank of India for over 35 years. During his career in the Bank he held important positions including the position of the Principal, Management Development Institute and the Zonal Manager, Pune Zone. His experience is of relevance and value to the business of the Company. He is the Chairman of the Audit Committee and a Member of Shareholders' / Investors' Grievance Committee of the Company. He is not a director in any other Company.

He does not hold any share of the Company as on 31st March 2011.

3. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting
4. In case of joint holders attending the Meeting, only one such joint holder who is the highest in the order of names will be entitled to vote.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2011 to 30th September 2011 (both days inclusive).
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. Relevant documents, if any, referred to in the accompanying Notice are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to the date of the Meeting.

8. In terms of Sections 205A and 205C of the Companies Act, 1956, the Company has transferred all unclaimed/unpaid dividends in respect of the financial years 1995-96 to 2002-03 to the Investor Education and Protection Fund (IEPF) established by the Central Government. It may be noted that the unclaimed dividend in respect of the financial year 2003-04 is due for transfer to the IEPF on September 27, 2011.
Members who have not yet encashed their dividend warrant(s) for the financial years ended 31st March, 2004 onwards, are requested to make their claims to the Company accordingly, without any delay.
9. Members desirous of getting any information relating to the accounts and operation of the Company are requested to send their queries at least 7 days in advance of the meeting so that the information required may be made available at the meeting.
10. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the National Electronic Clearing System (NECS). NECS essentially operates on the new and unique bank account number allotted by banks post implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transactions. The NECS facility is available at locations identified by the Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrars and Transfer Agents.
11. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased shareholder, transfer of shares or transmission/ transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrars and Transfer Agents.

By order of Board of Directors

Jagruti Vadhwana
Company Secretary

28th July, 2011

Regd. Office:

5th Floor, Bhupati Chambers,
13 Mathew Road, Opera House
Mumbai – 400 004

Important Communication to Members

Ministry of Corporate Affairs ("MCA") has taken a 'Green initiative in the Corporate Governance' vide Circular No.17/ 2011 dated 21.4.2011 by allowing the service of documents on members by a Company through electronic mode. Accordingly the Company proposes to send documents like notice convening the general meetings, audited financial statements, directors' report, auditors' report or any other document, to the members in electronic form at the email address provided by you and/or made available to the Company by their Depositories.

All the shareholders are requested to register their email ids with the Registrar/Depository Participant enabling the Company to send annual report and other documents in electronic mode.

DIRECTORS' REPORT

To the Members'

Your Directors have great pleasure in presenting the Twenty Seventh Annual Report on the performance of your company and the Audited Statement of Accounts for the financial year ended 31st March, 2011.

Financial Highlights:

Particulars	Amount (₹ in Crore)	
	2010-11	2009-10
Gross Receipts	149.60	155.90
Gross Profit before Interest and Depreciation	91.05	102.20
Less : Interest	(35.06)	(39.69)
Less : Depreciation	(45.20)	(46.57)
Net Profit Before Tax	10.25	15.94
Less : Provision for Taxation	—	(1.55)
Less: Provision of Deferred Tax	(1.90)	(3.95)
Less: Provision for Fringe Benefit Tax	—	—
Less: Provision for Tax for earlier year	(0.08)	(0.01)
Profit After Tax	8.43	10.43
Add: Profit brought forward from earlier year	48.92	45.57
Net profit available for appropriation	57.35	56.00
Interim Dividend (including Dividend Distribution Tax)	6.44	5.98
Proposed Dividend (including Dividend Distribution Tax)	Nil	Nil
Transfer to General Reserve	1.00	1.10
Balance Carried to Balance Sheet	49.91	48.92

Operating Results and Business:

During the year under review, out of the Gross Receipts of ₹ 149.60 crore, your company recorded operational income of ₹ 145.20 crore as compared to ₹ 137.00 crore in the previous year, thus registering an increase of 5.98%. Your company has earned a net profit after tax of the Company at ₹ 8.43 crore as compared to ₹ 10.43 crore in the previous financial year.

The market for crane rental business witnessed the effect of global slowdown. However, the second half of the year witnessed improvement in demand and hope that the years ahead will offer better business prospects. The year ahead promises good scope for deployment of further cranes. Your company enjoys competitive edge due to its past reputation and long association with reputed clients.

During the year, a subsidiary of the Company has received a letter of award from Tuticorin Port Trust for "Development of North Cargo Berth-II for handling Bulk Cargo on Design, Build, Finance, Operate and Transfer Basis".

Buy Back:

During the year, the Company completed Buy Back of 8,53,215 Equity Shares through Tender Offer Method at a price of ₹ 244.50 per Equity Share. The Equity Shares so bought back constituted 6.66% of the total paid up equity share capital of the Company as on 31st March 2010. The total amount utilized for Buy Back was ₹ 20,86,11,067.50. A sum of ₹ 85,32,150/- was transferred from Securities Premium Account to Capital Redemption Reserve Account, being the nominal value of equity shares bought back.

Dividend:

An Interim Dividend of 50% i.e. ₹ 5.00 per Equity Share (last year ₹ 4 per Equity Share) was declared on 10th March 2011 for the year 2010-11 and the total outflow on this score was to ₹ 6,43,96,128 (Rupees Six Crore Forty Three Lakh Ninety Six Thousand One Hundred Twenty Eight only), including Dividend Distribution Tax. No further dividend is being recommended by the Board of Directors of the Company.

Directors:

Mr. Rishi Agarwal and Mr. Haleangadi Panduranga Prabhu, Directors of the Company retire by rotation at ensuing Annual General Meeting.

Directors' Responsibility Statements:

Pursuant to the requirements under Section 217(2AA) of Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that

- i) in the preparation of the Annual Accounts for the year ended March 31, 2011, the applicable Accounting Standards had been followed and there is no material departure from the same;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2011 and of the profit of the company for the year ended on that date;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) the Directors have prepared the accounts for the year ended March 31, 2011 on a going concern basis.

Auditors and Auditors' Report:

M/s. M. M. Chaturvedi & Co, Chartered Accountants, the Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and they are not disqualified from such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The observations of the Auditors, together with the notes to Accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation.

Consolidated Financial Statements:

In compliance with the Accounting Standard 21 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2010-11. Consolidated Turnover grew by 14.06% to ₹ 228.63 crore as compared to ₹ 200.44 crore in the previous year.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

Subsidiaries:

The Company has following subsidiaries namely,

1. ABG Kolkata Container Terminal Private Limited
2. ABG Kandla Container Terminal Limited
3. ABG Projects & Services Limited (U.K.)
4. ABG Ports Private Limited
5. West Quay Multiport Private Limited

And following are the step down subsidiaries namely,

1. ABG-LDA Bulk Handling Private Limited
2. ABG Haldia Bulk Terminals Private Limited
3. ABG-LDA Marine Private Limited
4. ABG Container Handling Private Limited
5. ABG Coastal Private Limited
6. Tuticorin Coal Terminal Private Limited

West Quay Multiport Private Limited and Tuticorin Coal Terminal Private Limited – step down subsidiaries were formed during the year under review. The performance of your subsidiaries is as under:

ABG Kolkata Container Terminal Pvt. Ltd., is handling approx. 66 % of the container traffic of the Kolkata Dock system. Compared with the previous year, the traffic handled registered an increase of 10%.

ABG Kandla Container Terminal Ltd., has completed fourth year of operation. Though the container traffic at the terminal increased by 9% during the year, it is yet to attract enough traffic for its viability. The main issue is that of Kandla Port Trust's non compliance of its obligation in providing committed depth (draft) and night pilotage.

ABG-LDA Bulk Handling Pvt. Ltd. Mobile Harbour Crane (MHCs) business continues to operate at the three Major Ports of New Mangalore, Paradeep and Vishakhapatnam. The performance at Vishakhapatnam was particularly good with the results exceeding the expectations. The aggregate volume handled by the MHCs is in excess of 7.5 million tons in the financial year 2010-11.

ABG Haldia Bulk Terminals Pvt. Ltd. ("AHBT"), commenced commercial operations on 11th Sept 2010 at Haldia Dock Complex of Kolkata Port Trust. AHBT is today successfully operating at Haldia and handled more than 2 million tons of Cargo in little over 6 months, translating into about 4 MMTPA. Since AHBT started operations at Haldia, the productivity of the two berths has more than doubled. This has been widely appreciated by the Port, trade and the end-users alike. These would undoubtedly result in more efficiency in bulk logistics supply chain and reduction in transaction costs to trade.

West Quay Multiport Pvt. Ltd. ("WQMPL"), signed a 30 year Concession Agreement with the Visakhapatnam Port Trust on 31st July 2010 to develop a dry bulk cargo facility. The envisaged project capacity is 5 MMTPA. The financial close for the project has been achieved. The construction activity is expected to commence in the first half of 2011 and Commercial operations are likely to commence in 2013.

Tuticorin Coal Terminal Pvt. Ltd. ("TCTPL"), signed a 30 year Concession Agreement with the Tuticorin Port Trust on 11th Sept 2010 to develop a Coal handling facility. The Coal terminal will have a designed capacity of 14 MMTPA. The financial close for the project has been achieved. The construction activity is expected to commence in the first half of 2011 and Commercial operations are likely to commence in 2013. This terminal will cater to the needs of the numerous thermal power plants that are coming up in the vicinity of Tuticorin.

In terms of general approval granted by the Central Government under Section 212(8) of the Companies Act, 1956, Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related information upon written request by any shareholder of the Company or subsidiary interested in obtaining the same and will also be hosted on companies website i.e. www.abgworld.com Financial summary of the subsidiary companies, is disclosed in the Annual Report. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiary companies concerned.

Fixed Deposit:

Your Company has not accepted any Fixed Deposits within the meaning of sections 58A & 58AA of the Companies Act, 1956 from the public during the year ended March 31, 2011.

Particulars of Employees:

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, is given here under:

Name	Designation	Age (Years)	Qualification	Experience (Years)	Date of Employment	Gross Remuneration (₹)	Last employment held	% of Equity shares held
Mr. Saket Agarwal	Managing Director	47	B.Com	27	11.06.84	71,67,654/-	First employment	64.44
Mr. C. Babu Rajeev	Chief Executive Officer	64	M.Sc.	41	01.12.07	74,82,680/-	Secretary to Government of India	Nil

NOTES:

- The nature of employment of Mr. Saket Agarwal is contractual while the nature of employment of MR. C. Babu Rajeev is non-contractual.
- Remuneration includes salaries, allowances, bonus and expenditure incurred in providing rent free accommodation, medical expenses, value of other perquisites as calculated under the provisions of Income Tax Act and Rules and Company's contribution to Provident and Pension Fund.
- In addition to the above remuneration, employees are entitled to gratuity, medical benefits, etc. in accordance with the Company's rules.
- Mr. Saket Agarwal is a relative of Mr. Kamlesh Kumar Agarwal and Mr. Rishi Agarwal, Directors of the Company.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:

The particulars relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be furnished pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

- Considering the nature of business activities being carried out by the Company, the Directors have nothing to report regarding conservation of energy and technology absorption.
- Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned	- Nil
Foreign Exchange Used	- ₹ 6,96,76,495.19/-

Acknowledgement:

Your Directors place on record their appreciation for the support and co-operation extended by Company's Bankers, Government Bodies, Shareholders and specifically the contribution made by the employees of the Company in the success of the Company during the year under review. Your Directors look forward to their continued unstinted support.

For and on behalf of the Board of Directors

Kamlesh Kumar Agarwal
Chairman

30th May, 2011

Regd. Office:

5th Floor, Bhupati Chambers,
13 Mathew Road, Mumbai – 400 004